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News Highlights

Spiers speaks candidly, publicly, about State's management problems

In a blunt, hard-hitting speech at the Foreign Service Club, Under Secretary Ronald I. Spiers on January 29 publicly gave voice to some inside criticisms that have been made of the Department in recent years, in language that at some points upstaged the Department's critics.

The management chief cited four priorities on his agenda—inadequate financial resources, attributable in part to State's being "timid" about demanding what it needs; diverse "structural problems" of the personnel system, including the Senior Foreign Service; and the need for more extensive internal communication and a Department reorganization.

Mr. Spiers spoke at a luncheon of the American Foreign Service Association, as the third person to appear in the organization's "Viewpoint" series (STATE, January). "We have approaches under way to deal with all of these problems," he said. "I'm reasonably optimistic about the prospects of finding fixes to many if we're persistent enough."

Resources

The under secretary asserted: "I view the Department as a principal national security arm of the U.S. Government, comparable with our military and intelligence services. Indeed, I think it's the most important of the three . . . Yet the Department has been treated as the orphan among the three when it has come to the annual distribution of resources. Worse, it has tended to treat itself as somehow the least deserving of the three. Too often it's been reticent and timid—almost apologetic—about speaking up for the resources it needs to do its job."

For example, he said, a study he commissioned had shown that 70% of the intelligence items regularly being reported to high Government officials had "originated in Foreign Service re-



Under Secretary Spiers

porting."

He added: "Nevertheless, over the last decade we had an 18% reduction in the number of people devoted to economic and political reporting and analysis—the heart of the Department's responsibilities—as we had to cannibalize to meet consular workload increases and provide administrative support for other agencies."

Secretary Shultz has been effective in "beginning to turn the situation around," Mr. Spiers said, pointing out that he won a large supplemental appropriation for security this fiscal year and last year overturned an Office of Management and Budget-imposed personnel ceiling to obtain additional positions for reporting and analysis.

But the Department "has never re-

ceived," Mr. Spiers said, "the President's formal certification as a national security agency. In my view, the question of this certification must remain our highest priority objective. Without it, we're treated on a par with every domestic agency when Government-wide cuts are imposed. For instance, as part of the effort to cut the 1986 deficit, we've suffered a cut of over \$200 million from our carefully considered request. We raised our national security status and were granted some relief from an even larger cut originally imposed by (Management and Budget), but I suspect we'll find we've fared poorly as compared to Defense and Intelligence when the final results are in. Nevertheless, we'll have \$31 million less to spend in 1986 than in 1985, and

NEWS HIGHLIGHTS

we'll have to absorb a \$14-million pay raise and consular workload increases ... Congress has yet to act and may cut further."

Senior Foreign Service

The under secretary asserted: "In my view there's never been a systematic look at what we really need to staff our Foreign Service. We've now embarked on such a project. The first aspect I want to talk about is the Senior Foreign Service. Most outside observers think (it's) too large. Frankly, I believe we don't have the basis to rebut these critics completely ... We've never related the number of people in the Senior Foreign Service to the jobs that need to be graded at that level; so we are very vulnerable. Grading of jobs at the senior levels, particularly in Washington, too frequently has been haphazard and undertaken for the wrong reasons. Job content and comparative responsibility aren't being used as guidelines in many cases of upgrading office chief jobs or to deputy country director slots. Far too many bureaus upgrade positions to senior level solely for the purpose of enticing more junior bidders who will judge their chances for promotion are thereby enhanced. We must embark on a course wherein sound 'position management' dictates Departmental structure.

"The fact that we have 16% of our senior positions filled by mid-level officers—'stretch assignments'—also provides fuel to our critics. If these jobs can be filled by mid-level officers, why are they graded at the senior level? Our goal is to reduce stretch assignments to about 10%. It's beginning to be recognized in the Service that stretch assignments are a mixed blessing, since they also reduce promotion opportunities. We don't promote to fill jobs currently held by stretches.

"We have too many senior officers who can't be placed in jobs appropriate to their rank (right now we have 40 senior officers overcomplement). I believe there's something to be said for the way most other foreign services avoid this problem. For example, the

British have about 125 senior positions out of a total of 2,500 FSOs. They don't promote into the senior service until there's a job to be filled. This year we promoted 39 into the Senior Foreign Service against a requirement of minus two. ...

"Of course, we have a difficulty that most other services don't have: an uncertainty about the number of political appointees with whom we have to compete for senior positions. Since January 1981, 23 jobs at the ambassador or assistant secretary level or up have moved from career to noncareer occupants.

"This has a major impact on the assignment process. Right now, seven career ministers are overcomplement or on special assignments.

"We've begun a review of the classification of positions now graded at the OC level and up. The results are expected this fall and should give us a basis for determining just what size Senior Foreign Service we need and can justify. In the meantime we're holding promotion numbers and LCEs (limited career extensions) to a lower level to avoid exacerbating the problems and the pain we might otherwise have to face in the future, in order not to increase the senior surplus.

"If the anticipation is correct that when we reach the new 'high 3' this December there'll be a large number of retirements, we'll be able to loosen up on promotions and LCEs somewhat. But as long as we have career ministers with excellent records and experience who've been without proper assignments for up to three years I'll continue to have doubts about the rightness of our course. It's demoralizing and wasteful."

More 'structural' problems

Mr. Spiers continued: "There are numerous other 'structural' problems we're trying to deal with:

— "A recruiting system which seems to short-change us on highly competitive minority entrants;

— "A hiring system which takes too long to bring people on board and

thus costs us some of the most promising candidates, who can't afford to wait out the time it takes to get to their names on the register;

— "An evaluation system that's burdensome for supervisors, often leads to hyperinflated or meaningless appraisals, or risks giving only a one-dimensional picture of the ratee;

— "A training system which is meager and unstructured compared to, say, the military's;

— "An examination system which gets us capable economic officers more by accident than by design (this also holds true for administrative officers);

— "Executive development procedures which are haphazard, unsystematic and have generally favored political officers, confusing analytic brilliance with managerial effectiveness;

— "An assignments system which too often operates as a disincentive to broadening assignments; which has depended more on who you know than whether you're the best for the job or the job is best for you; which tends to penalize officers in training or functional bureau assignments, or who are less visible to the decision-makers in Washington; which fails to ensure equitable sharing of hardship assignments;

— "A resource allocation system which has permitted political and economic jobs at the junior level to erode, with the result that too many officers in these cones have approached tenure with inadequate or no experience in those areas in which they will presumably spend most of their careers.

'Loss of discipline'

"At the heart of many of these problems is a loss of Service discipline that, in my view, arises from a sense that the system is not operating equitably. I see little chance of restoring esprit de corps and a sense of service until we find ways to restore trust in the system and overcome a feeling that nice guys finish last."

'Societal changes'

While all of these problems "are at

least theoretically amenable to improvement," Mr. Spiers said, there is one that has stymied him and his colleagues—the societal changes that have led to two-income families and to tandem couples in the Foreign Service, and the “rapidly growing dilemma (that) revolves around spousal recognition and compensation for services rendered on behalf of our missions abroad. We’re not alone in having to face up to our responsibilities on this account. We’ve explored various approaches with other foreign services, all of whom—including in the Communist countries—regard this issue as the major one they face. For example, the Japanese pay a 40% salary supplement when spouses accompany an officer overseas and perform representation functions on behalf of national interests and objectives. But I don’t know what you do to keep a capable Foreign Service when more and more spouses have professional careers which can’t very well be pursued abroad. We’ve a long way to go on this issue. Perhaps there is no answer. . . .”

Internal communication

Mr. Spiers said: “The Foreign Service is a family of mature people and my experience is that candor and openness should be the norm in our dealings with each other. Therefore, we’ve tried to draw as many of our colleagues as possible into the process of identifying our problems, understanding our dilemmas and into discussions about how we cope with them. One of the reasons we have developed the “short tour” assignment is to bring some of our best and most experienced minds to bear on these problems.

“Last April I wrote to all chiefs of mission and asked each to identify the three or four things which seem most to grate on or make life difficult for our personnel. We received an avalanche of thoughtful replies . . . We’ve been looking into all of these issues. Some of them will require legislation to deal with but most of them can be handled by administrative change. My view is

Spiers expects to stay on; he recalls taking the job

Under Secretary Ronald I. Spiers indicated in his speech at the Foreign Service Club that he anticipated remaining at his post to see through some of the changes he feels are needed. “One of the main problems in management has been too much turnover and lack of follow-through,” he said. “I hope myself to resist the siren song of other assignments for a while.”

He recalled, too, his shifting from an ambassadorship to the management position. “When Secretary Shultz asked me to take this job,” he related, “after a chance discussion in Islamabad, in the course of which I was outspokenly critical of much of the Department’s management practices, he said he’d concluded that someone with a variety of foreign policy experience in Washington and overseas should be asked to give it a try.

“One of the points I’d complained about was the lapse of discipline and growth of brokering in the assignment process. So I could hardly tell him I preferred to stay where I was and meet college tuition payments without going deeply into debt.” □

that all personnel should be able to fly business class, particularly on longer trips. I think we should lift the pay cap on differentials. We should be devoting more resources to ensuring better storage, transportation and pouch services. The new Financial Management System and (the Consolidated American Payroll Processing) Programs should do away with many of the complaints about foulups on pay and allowances during periods of transfer. I would like to achieve a consolidated allowance system which amalgamates hardship, danger and special incentive differentials.

“Another change we’ve introduced is a monthly management issues cable which aims to keep all of our colleagues abreast of what we’ve thinking

and doing. We try to make clear that we welcome input from everyone on problems that affect all of us. Management certainly has no monopoly on wisdom or insight, and I for one always found distasteful a system which produced changes behind closed doors and imposed them without explanation.”

Reorganization

The under secretary continued: “I’ve long felt that the Department of State is badly organized to formulate and carry out our stated policies over the long haul. There are, I believe, too many quasi-independent organizational units. Congress has given us new bureau after new bureau, often without regard to organizational rationality. Many think we have too many ambassadors-at-large and too many assistant secretaries and assistant secretary-equivalents . . .

“A change I advocate is a rebalancing of responsibilities among the seventh-floor principals. For a long time I’ve favored the evolutionary development of an under secretary for international security affairs. The responsibilities of this position would focus on the Department’s interaction with the defense, intelligence and arms control communities, while the under secretary for political affairs would focus on bilateral and more traditional diplomatic issues.

“The argument is validly made that this would diminish the responsibilities of (that under secretary), would transfer to the deputy secretary the problem of reconciliation where these responsibilities overlap or come into conflict. Nevertheless, it’s clear from my own experience in arms control, Politico-Military Affairs and intelligence that the under secretary for political affairs can’t give the sustained attention to the whole range of these issues that their significance deserves.

“I’ve also advocated that the under secretary for economic affairs’ responsibilities should be broadened, perhaps by giving him general oversight respon-

NEWS HIGHLIGHTS

sibility of other than (the Bureau of Economic and Business Affairs), including perhaps (the Bureaus of Refugee Programs, International Narcotics Matters and Oceans and International Environmental and Scientific Affairs), and telecommunications policy."

Conclusion

Mr. Spiers closed by saying: "...A professional, trained, disciplined career Foreign Service will continue, for the foreseeable future, to be necessary for the advancement and protection of the interests of the United States. The existence of an independent, largely self-governing Foreign Service is the object of a substantial amount of suspicion, criticism and resentment today. There are many who would like to put the Foreign Service under (the U.S. Office of Personnel Management's) protective wing, to apply the Civil Service procedures of rank-in-job, retirement, and so on, to it.

"To them, the idea of a largely self-assigning, self-promoting self-evaluating system, with something of a conviction about its own identity that borders on elitism, is anathema.

"However, like a military service that is prepared to go where it's sent, to carry out loyally the direction of its democratically-chosen political leadership, to provide the best advice it can from a background of strongly grounded professionalism and integrity, with the resources it needs to do its

Pastel payoff

The Treasury Department has decided to brighten up its income tax refund checks by issuing them in color—in pastel hues ranging from light blue to pale peach. And they'll be on lightweight paper, making them cheaper to produce and more difficult to counterfeit. State Department people who filed for refunds with the Internal Revenue Service office in Philadelphia will get the colored checks, no matter where they reside, Treasury said. Its familiar green punchcard check is being phased out. □

job, a career Foreign Service will continue to be a necessity for our country as far into the future as this observer can see." □

State's '86 budget seeks 388 new positions; slots are in security, reporting

The Department is asking Congress for a net increase of 388 positions—primarily in the areas of security and reporting and analysis—and \$2.56 billion for fiscal year 1986, which begins October 1. To fight the threat of terrorism, it is seeking 141 positions.

These include 77 regional security officers, 31 overseas security engineers, and additional Marine security guards for 12 embassies of the United States.

The Department is also seeking 176 positions to strengthen political and economic reporting. "This program, begun four years ago, recognized that staffing in critical countries was not sufficient to meet substantive responsibilities," the Department says in a statement prepared for congressional hearings.

These positions are principally in the following bureaus: African Affairs, 32; East Asian and Pacific Affairs, 32; Economic and Business Affairs, 6; European and Canadian Affairs, 29; Intelligence and Research, 22; Inter-American Affairs, 24; Near Eastern and South Asian Affairs, 27; Oceans and International Environmental and Scientific Affairs, 1; and Politico-Military Affairs, 3.

The Department is also asking for 27 new positions for its foreign affairs information systems, improved systems security and computerized security-enhancement programs.

In addition, State is requesting 20 more positions in communications—3 for trainers and 17 for other communications support.

The budget seeks \$134.4 million for acquisition, development or construction of new and present office and housing facilities, including security-

related projects. The foreign buildings budget includes:

—Development of architectural and engineering plans for chanceries in Ivory Coast, \$1.6 million; Benin, \$2.7 million; Sudan, \$2.4 million; Jamaica, \$1.4 million; and Port Moresby, \$0.5 million.

—Site acquisition and development for chanceries in Chile, \$6.1 million; Beijing, \$2 million; Tunisia, \$3.1 million; and Israel, \$9.3 million.

—Development of plans for consulate office buildings in Guangzhou and Shanghai, \$2.4 million.

—Site acquisition and development for embassy compound projects in Ankara and Istanbul, \$3.3 million; in Algiers, \$1.6 million; and plans for consulates in Adana and Izmir, Turkey, \$1.6 million.

—Purchase of staff housing in Jakarta, \$3 million; Bangkok, \$0.4 million; Sudan, for Defense Department staff, \$1 million; and Egypt, \$0.3 million.

—Rehabilitation in the chancery in Bonn, \$5.5 million.

Funds for present projects include: construction of chancery office buildings in Venezuela, \$26 million; Guyana, \$10.4 million; Bolivia, \$21.3 million; Botswana, \$5.6 million; and the proposed chancery and ambassador's residence in Nicosia, \$11.1 million. The budget earmarks \$12 million for the second-phase rehabilitation of the Bonn/Plittersdorf housing complex. □

Department sets up new procurement office

A new Office of the Procurement Executive has been established in the Department, with John J. Conway as acting director, reporting directly to the assistant secretary for administration. Similar offices have been established in other cabinet agencies.

The office will formulate Department-wide procurement policies and directives; provide advice on procurement laws and opinions issued by the courts and the General Accounting